



Cortrium ApS

Erik Husfeldts Vej 7
2630 Taastrup
CVR No. 36445335

Annual report 2020

The Annual General Meeting adopted the
annual report on 16.07.2021

Claus Bildsøe Astrup
Conductor

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Entity details

Entity

Cortrium ApS
Erik Husfeldts Vej 7
2630 Taastrup

CVR No.: 36445335
Registered office: Høje taastrup
Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Niels Erik Blangstrup Zibrandtsen, Chairman
Erik Søndergaard Poulsen
Karsten Frank Rye Madsen
Michael Lange
Claus Zibrandtsen
Peter Karl Jacobsen

Executive Board

Claus Bildsøe Astrup, adm. dir.

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Cortrium ApS for the financial year 01.01.2020 - 31.12.2020.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Taastrup, 16.07.2021

Executive Board

Claus Bildsøe Astrup
adm. dir.

Board of Directors

Niels Erik Blangstrup Zibrandtsen
Chairman

Erik Søndergaard Poulsen

Karsten Frank Rye Madsen

Michael Lange

Claus Zibrandtsen

Peter Karl Jacobsen

Independent auditor's report

To the shareholders of Cortrium ApS

Opinion

We have audited the financial statements of Cortrium ApS for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Emphasis of matter regarding circumstances in the financial statements. There is natural uncertainty regarding the measurement of the company's deferred tax assets. For further description, reference is made to note 1.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 16.07.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Thomas Rosquist Andersen

State Authorised Public Accountant
Identification No (MNE) mne31482

Management commentary

Primary activities

The Company's aim is to pursue business within the development of medical products, services and related activities.

Description of material changes in activities and finances

The Company's Income Statement of the financial year 1 January 2020 - 31 December 2020 shows a result of TDKK- 7,678 and the Balance Sheet at 31 December 2020 a balance sheet total of TDKK 10,948 and an equity of TDKK 487.

Management finds the result in accordance with the plan for the year 2020, and is satisfied with the progress and development of the company according to the long term plan. Management believes that progress of 2020 is well within the threshold of the overall plan therefore the result is considered as satisfactory.

Events after the balance sheet date

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		1,295,052	(2,764,817)
Staff costs	2	(9,730,472)	(7,992,787)
Operating profit/loss		(8,435,420)	(10,757,604)
Other financial income		5,648	56,501
Other financial expenses		(355,317)	(40,875)
Profit/loss before tax		(8,785,089)	(10,741,978)
Tax on profit/loss for the year	3	1,106,877	1,175,567
Profit/loss for the year		(7,678,212)	(9,566,411)
Proposed distribution of profit and loss			
Retained earnings		(7,678,212)	(9,566,411)
Proposed distribution of profit and loss		(7,678,212)	(9,566,411)

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Development projects in progress	5	2,347,207	0
Intangible assets	4	2,347,207	0
Deposits		26,638	26,837
Deferred tax		2,366,000	2,366,000
Financial assets		2,392,638	2,392,837
Fixed assets		4,739,845	2,392,837
Raw materials and consumables		410,395	124,608
Inventories		410,395	124,608
Trade receivables		1,252,603	664,428
Other receivables		0	70,591
Income tax receivable		1,106,877	0
Prepayments		237,558	60,713
Receivables		2,597,038	795,732
Cash		3,200,879	6,764,634
Current assets		6,208,312	7,684,974
Assets		10,948,157	10,077,811

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		287,351	283,327
Reserve for development expenditure		2,347,207	0
Retained earnings		(2,147,927)	5,881,516
Equity		486,631	6,164,843
Other payables		5,889,200	0
Non-current liabilities other than provisions	6	5,889,200	0
Trade payables		396,708	801,691
Payables to associates		0	46,875
Other payables		4,136,755	2,351,822
Deferred income		38,863	712,580
Current liabilities other than provisions		4,572,326	3,912,968
Liabilities other than provisions		10,461,526	3,912,968
Equity and liabilities		10,948,157	10,077,811

Uncertainty relating to recognition and measurement

1

Statement of changes in equity for 2020

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	283,327	0	5,881,516	6,164,843
Increase of capital	4,024	0	1,995,976	2,000,000
Transfer to reserves	0	2,347,207	(2,347,207)	0
Profit/loss for the year	0	0	(7,678,212)	(7,678,212)
Equity end of year	287,351	2,347,207	(2,147,927)	486,631

Notes

1 Uncertainty relating to recognition and measurement

Deferred tax assets totals T.DKK 2,366. Deferred tax assets are dependent on profit in future financial years, since the company is upscaling their business there is a natural uncertainty to the estimated profit for the future financial years, therefore the measurement of the tax assets is subject to a natural uncertainty. Management is confident that income will be significant and that the uncertainty primarily relates to the timing of income and profitability. It is the opinion of Management that the net booked value of deferred tax assets is not subject to impairment.

2 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	9,279,796	7,664,251
Other social security costs	107,937	56,750
Other staff costs	342,739	271,786
	9,730,472	7,992,787
Average number of full-time employees	9	9

3 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Current tax	(505,000)	0
Change in deferred tax	505,000	(1,175,567)
Adjustment concerning previous years	(1,106,877)	0
	(1,106,877)	(1,175,567)

4 Intangible assets

	Development projects in progress DKK
Additions	2,347,207
Cost end of year	2,347,207
Carrying amount end of year	2,347,207

5 Development projects

Development projects consists of investment projects.

6 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK
Other payables	5,889,200
	5,889,200

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Development projects in progress**

Development projects in progress comprise development projects in progress with related intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.